

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Administration
Washington, D. C.

July 8, 1942

ADMINISTRATOR'S MEMORANDUM No. 17

Subject: AMA Attitudes on Price Ceilings

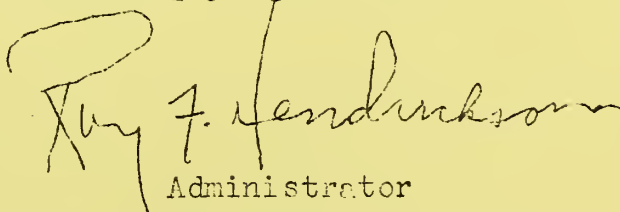
Price ceilings are an integral part of the President's program to prevent inflation. While these ceilings present difficult problems incident to our (a) procurement and (b) necessary price support and other programs, our attitude must be gauged to assist in making them work in every way possible. We have many adjustments to make, not only to price ceilings, but to other programs and situations that the war situation brings. We are now moving swiftly from a phase of moving so-called surpluses to dividing deficits--and the deficits will tend to be larger and more frequent.

Because price ceilings mean hard adjustments and trouble is no reason why we should spurn them. A reasonable administration of a price ceiling program can be made successful--the British, Canadians and others have demonstrated this.

There was no greater domestic tragedy in and after the last war than the land boom. We want fair farm prices but runaway farm prices must ultimately find expression in a land boom which we will all regret this time, too.

The modus operandi for a subsidy program--an essential associate of an unbroken price ceiling policy--can be quickly established if and when Congressional policy clarifies, as soon it may.

Pending such clarification, let us counsel patience to those affected and do the best we can to make the ceiling program work.


Administrator

